

NEWMARK

1Q 2024

Hotel Market Nsights Report

CHICAGO, IL



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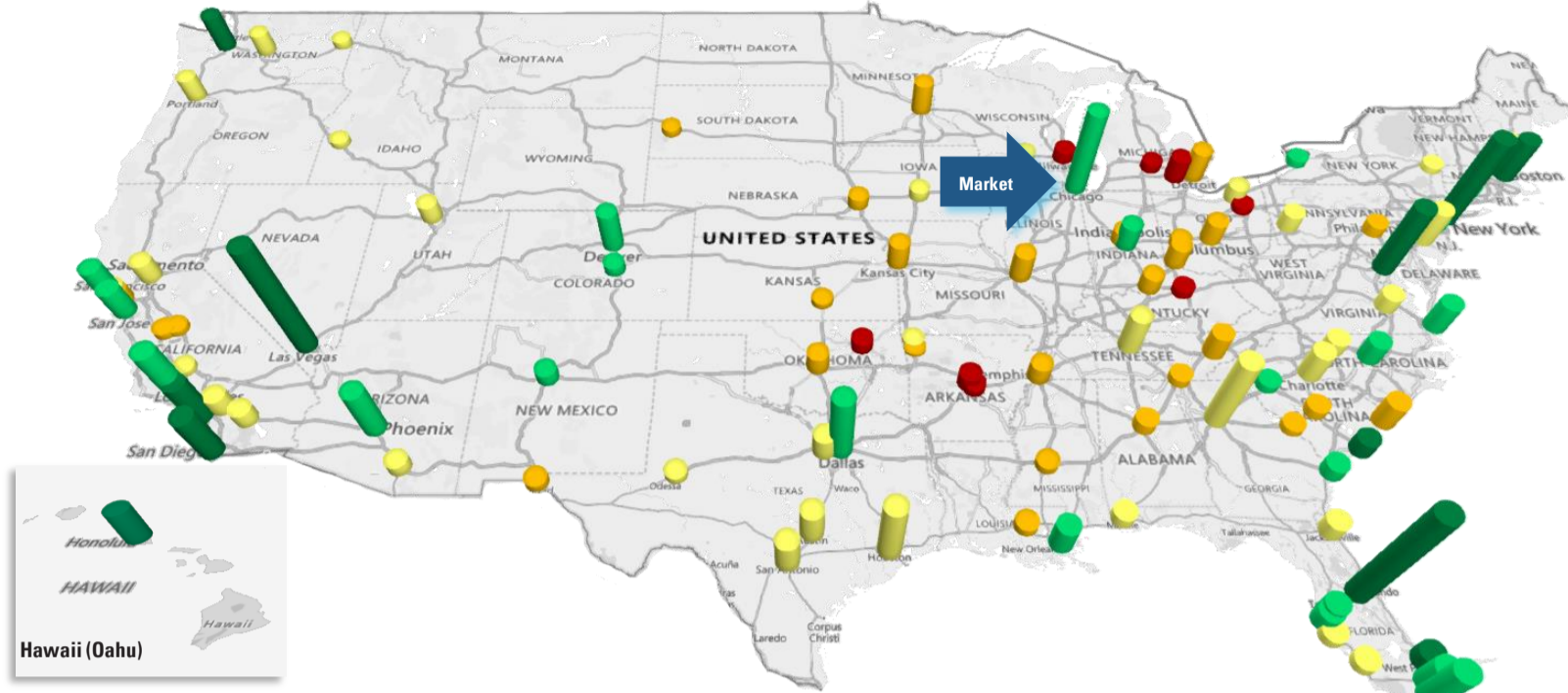
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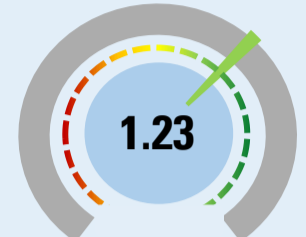


Lodging Performance Index Snapshot



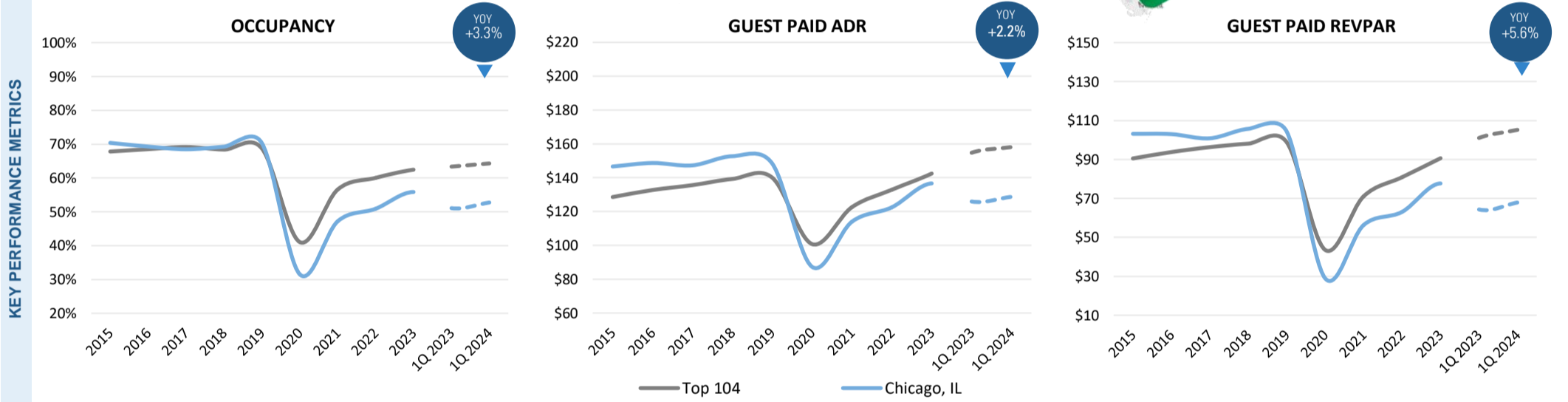
LODGING PERFORMANCE INDEX

Chicago, IL

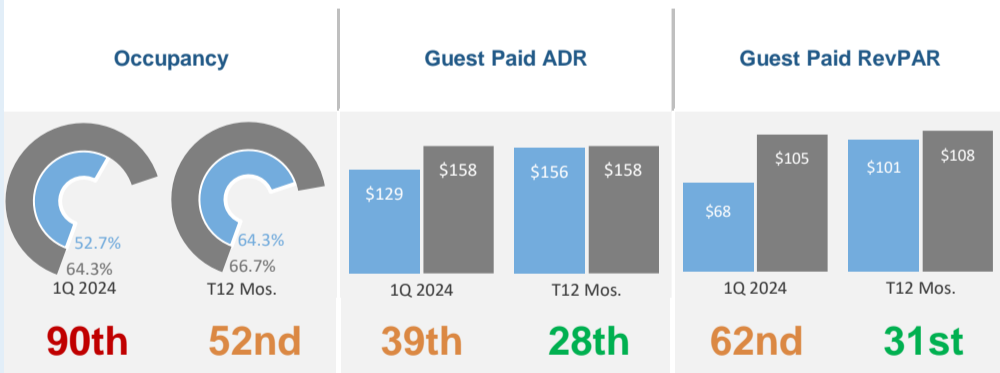


21st of 104
Above Average

Ranking of overall '1Q 2024 LPI' performance (1.23) against all 104 surveyed markets.



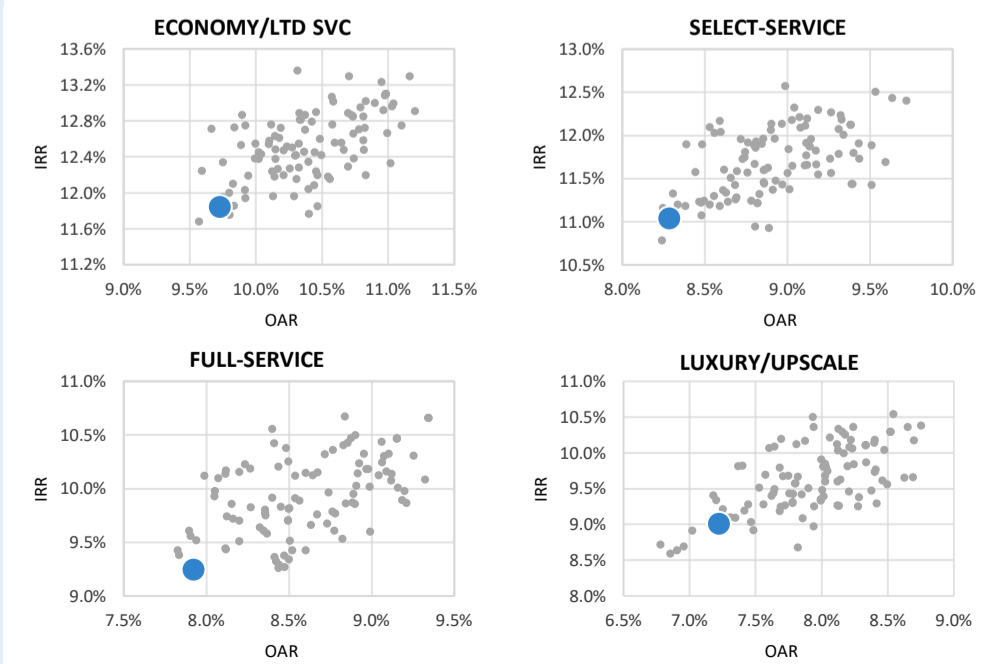
Key Performance Indexes



Key Benchmark Indexes



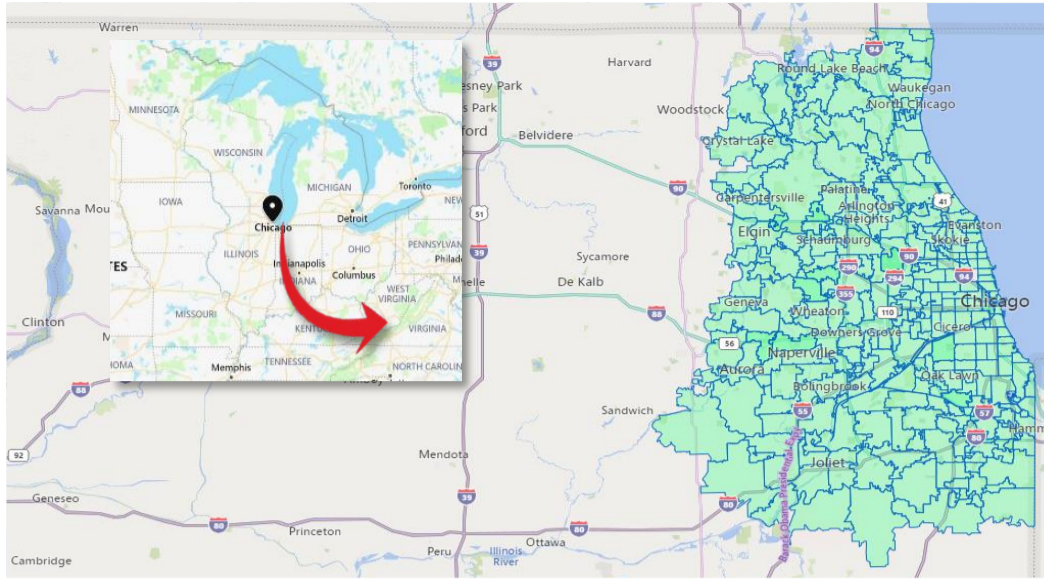
Discount and Capitalization Rates



Trends and Risks



Location



Quick Facts

Jurisdictional Information Source: US Census Bureau, Dept. of Labor Statistics

Municipal Name: Chicago
 County: Cook County, DuPage County
 State: Illinois
 Geo Coordinates (market center): 41.83755, -87.68184

Major Hotel Demand Generators

Advocate Health Care System | Northwestern Memorial Healthcare | University of Chicago | JPMorgan Chase & Co. | Amazon | United Continental Holdings Inc. | Walgreens Boots Alliance Inc. | Northwestern University | Presence Health | Wal-Mart Stores Inc. | Abbott Laboratories | Jewel-Osco Stores | University of Illinois | American Airlines | Rush University Medical Center | Chicago Transit Authority | AT&T | University of Chicago Medical Center | Allstate Insurance Co. | Employco USA Inc.

Metrics and Ranking	Measurement	Rankings
Population (hotel market area)	7,749,499	2nd of 104 (Very Large)
Income per Capita	\$52,497	36th of 104 (Average)
Feeder Group Size	99.9 Persons PSR	82nd of 104 (Below Average)
Feeder Group Earnings	\$5,242,886 PSR	84th of 104 (Below Average)
Total Market Hotel Revenues	\$4.4 billion	6th of 104 (Strong)

Key Performance Metrics

Data provided by: **kalibri LABS**

YEAR ENDING	Guest Paid			COPE		Booking Cost POR	ADR COPE %	Loyalty %	Avg Length of Stay Nights	Supply Rooms	Performance Index (LPI)
	Occ %	ADR	RevPAR	ADR	RevPAR						
2015	70.4%	\$146.61	\$103.17	\$134.06	\$94.33	\$12.55	91.4%	48.3%	2.03	111,690	1.36
2016	69.3%	\$148.68	\$103.01	\$135.69	\$94.01	\$12.99	91.3%	50.6%	1.98	113,340	1.08
2017	68.5%	\$147.29	\$100.87	\$134.21	\$91.91	\$13.08	91.1%	52.4%	1.95	114,850	1.09
2018	69.2%	\$152.68	\$105.73	\$139.65	\$96.70	\$13.03	91.5%	54.1%	1.94	116,240	1.34
2019	70.3%	\$148.40	\$104.35	\$135.84	\$95.52	\$12.56	91.5%	57.7%	1.89	121,730	1.08
2020	31.5%	\$87.31	\$28.94	\$81.12	\$25.58	\$6.19	92.9%	35.3%	2.29	118,950	0.54
2021	47.2%	\$113.98	\$56.32	\$105.13	\$49.62	\$8.85	92.2%	39.2%	2.08	120,790	0.59
2022	50.9%	\$122.49	\$63.08	\$113.05	\$57.54	\$9.44	92.3%	41.0%	2.07	121,790	0.89
2023	55.9%	\$136.62	\$77.69	\$126.45	\$70.63	\$10.17	92.6%	42.5%	2.04	122,180	1.12
CAGR: 2015 thru 2023	-2.8%	-0.9%	-3.5%	-0.7%	-3.6%	-2.6%	0.2%	-1.6%	0.1%	1.1%	-2.4%
1Q 2023	51.1%	\$125.91	\$64.31	\$116.59	\$59.55	\$9.32	92.6%	45.9%	2.02	120,390	1.01
1Q 2024	52.7%	\$128.71	\$67.89	\$119.11	\$62.83	\$9.59	92.5%	49.0%	2.02	121,340	1.23

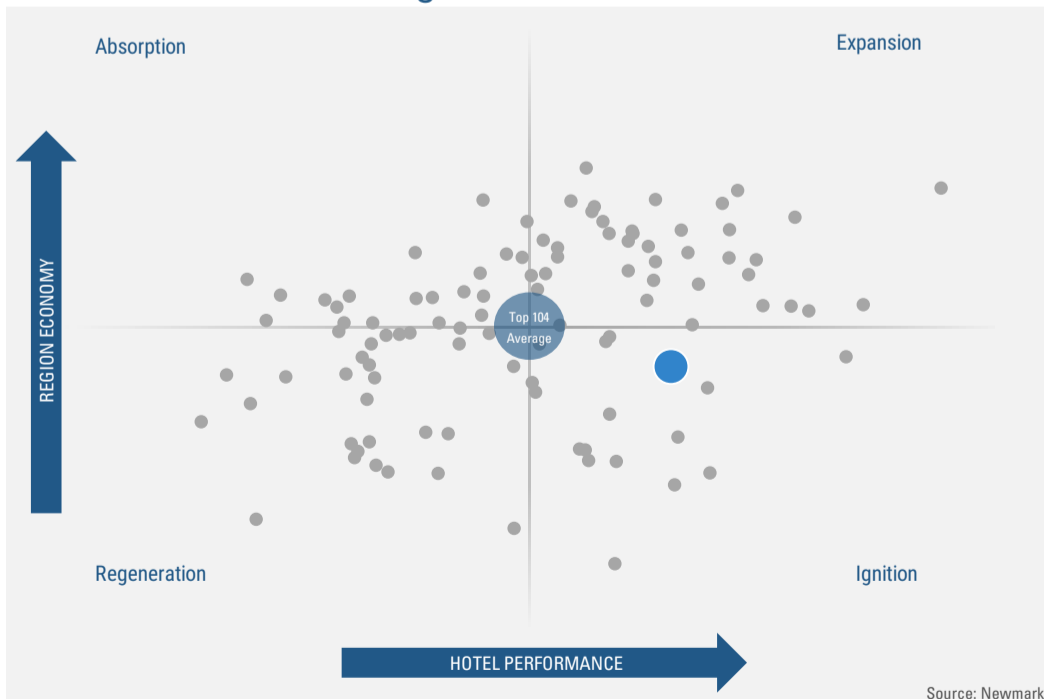
Notable Metrics

	IRR: Full-Service	Total Rooms Sold	Total Rooms Supply
HIGHEST	1st Highly Favorable Chicago, IL enjoyed favorable IRR metrics in the full-service segment (9.2%)	5th Strong The market boasted a strong total of number of rooms sold (28,322,435 room nights)	4th Strong The market also benefits from a large and diverse hotel market (121,345 total rooms)
LOWEST	90th Soft This market exhibited weak latest-quarter occupancy (52.7%)	84th Below Average The market has low feeder group earnings per sold room (\$5,242,886)	82nd Below Average Chicago, IL also required a large feeder group size (99.87 Persons)

Notable Trends

	Long-Term Historical Booking Costs POR Growth	Short-Term Historical Booking Costs POR Growth	Overall Health of Hotel Market
STRONGEST	9th Strong Chicago, IL has benefited from low long-term historical booking costs POR growth (1.1%)	17th Above Average The market enjoyed low short-term historical growth in booking costs (1.4%)	22nd Above Average The market also has benefited from strong general hotel market performance (levels and trends of fundamentals)
WEAKEST	96th Soft The market has been impeded by weak long-term historical Guest Paid ADR growth (1.1%)	95th Soft We note this area posted weak long-term historical COPE ADR growth (1.1%)	94th Soft Chicago, IL also has been hampered by weak short-term historical Guest Paid RevPAR growth (-0.2%)

Market Performance Stage



Chicago, IL: Ignition Stage

The Chicago, IL market is currently in the 'Ignition' stage of the performance cycle. In this stage, hotels typically perform adequately for operators to enjoy positive returns, with confidence the economy will remain fully recovered from the pandemic. While the regional economy continues to recover, strong hotel performance locally is igniting expansion in certain key sectors. Example markets in this stage include Baltimore, MD; Miami, FL; and New Orleans, LA.

Other Stages:

- Regeneration:** In the 'Regeneration' stage, hotels and the underlying economy are underperforming. The highest and best uses of hotel assets are still being challenged by lingering pandemic impacts, oversupply, weak economic indicators, and/or poor corporate contribution. Hotel investors look for opportunities to either exit or regenerate demand. Example markets in this stage include Cincinnati, OH; Detroit, MI; and Knoxville, TN.
- Absorption:** In the 'Absorption' stage, hotels are underperforming but in an economy with resilience and confidence the economy will shed any lingering pandemic impacts, presenting upside for CRE. Barriers to entry are high and the market hosts little or no new supply, allowing for the existing stock of rooms to be absorbed. Example markets in this stage include Atlanta, GA; Charlotte, NC; and Columbus, OH.
- Expansion:** In the 'Expansion' stage, hotels perform adequately, contributing to a resilient economy that has fully exited from the pandemic environment. Displacement demand is high, new hotel supply is feasible (despite barriers normally being high), and the overall economy is expanding. Example markets in this stage include Anaheim, CA; Austin, TX; and Boston, MA.

Industry Observations

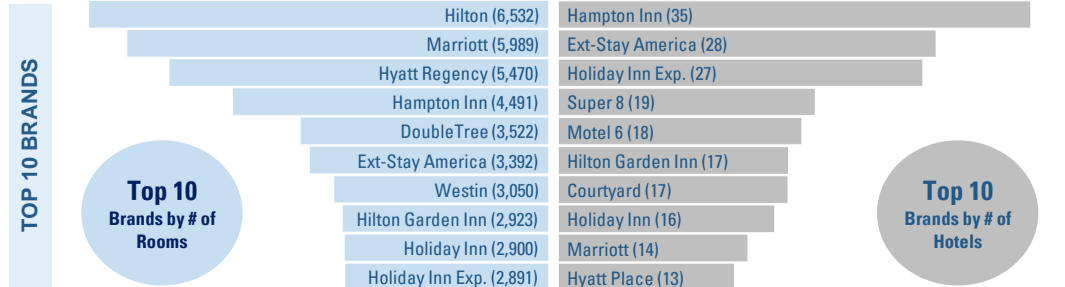
MOODY'S ANALYTICS

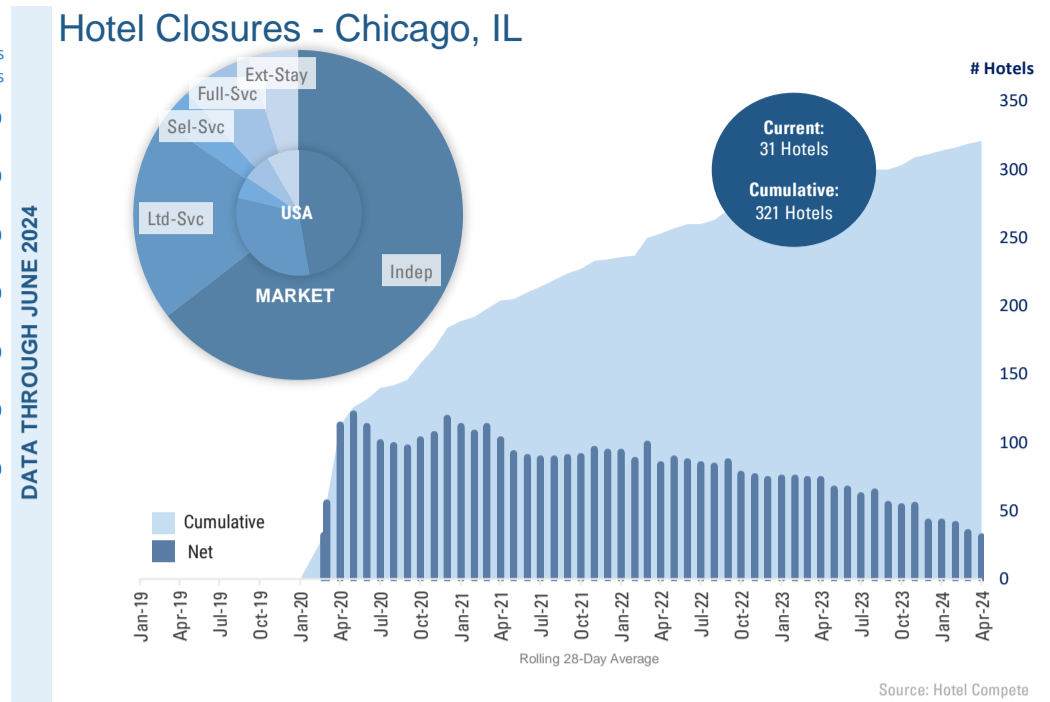
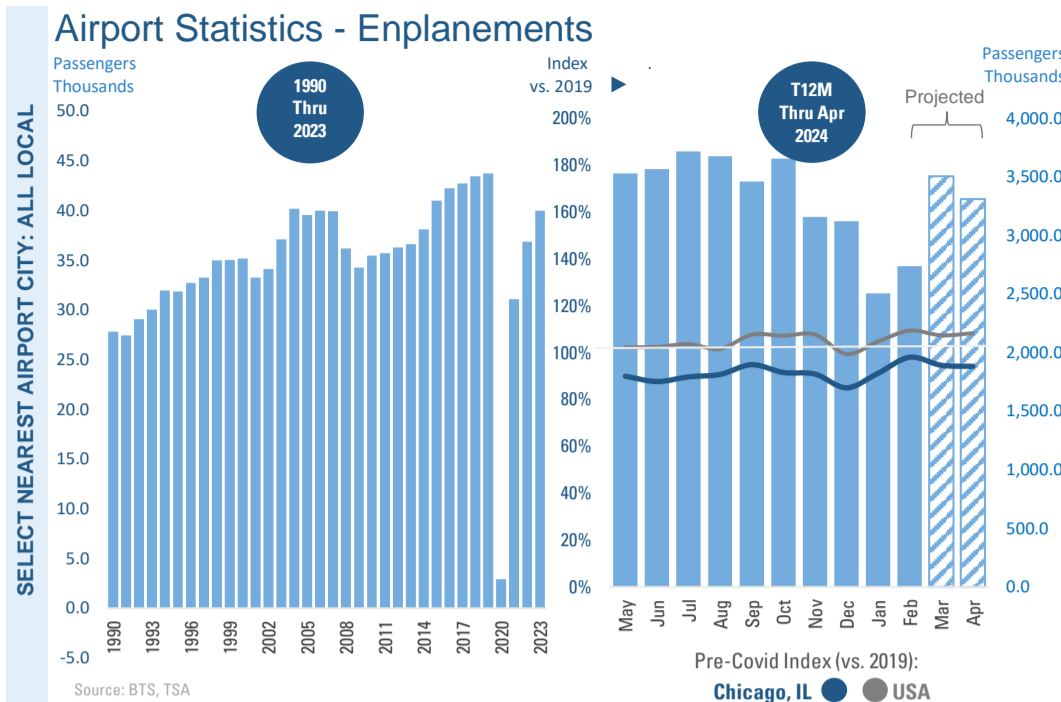
Business Cycle: **In Recovery**
 Employment Growth (2 yr): **0.5%**
 Risk Exposure (402 US markets): **97th Percentile: High Risk**
 Key Industry Notes:
 Budding high-tech center
 Major business center
 Huge talent pool
 Budgetary pressures
 High crime rate

Moody's Rating

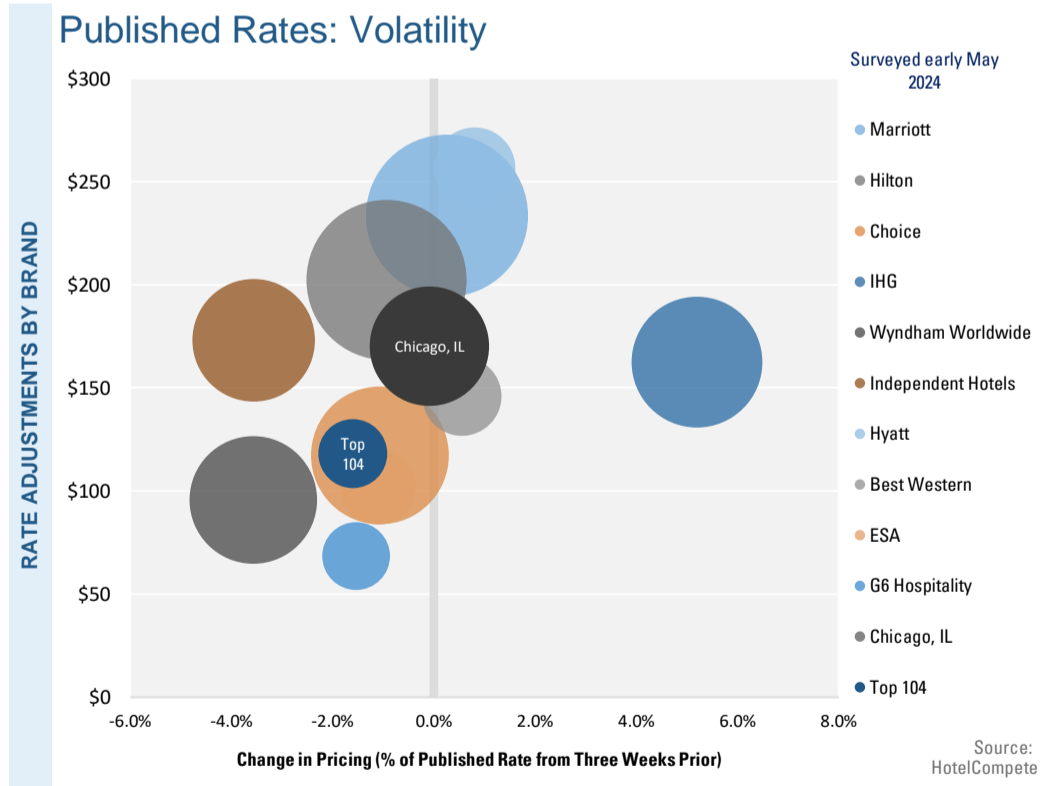
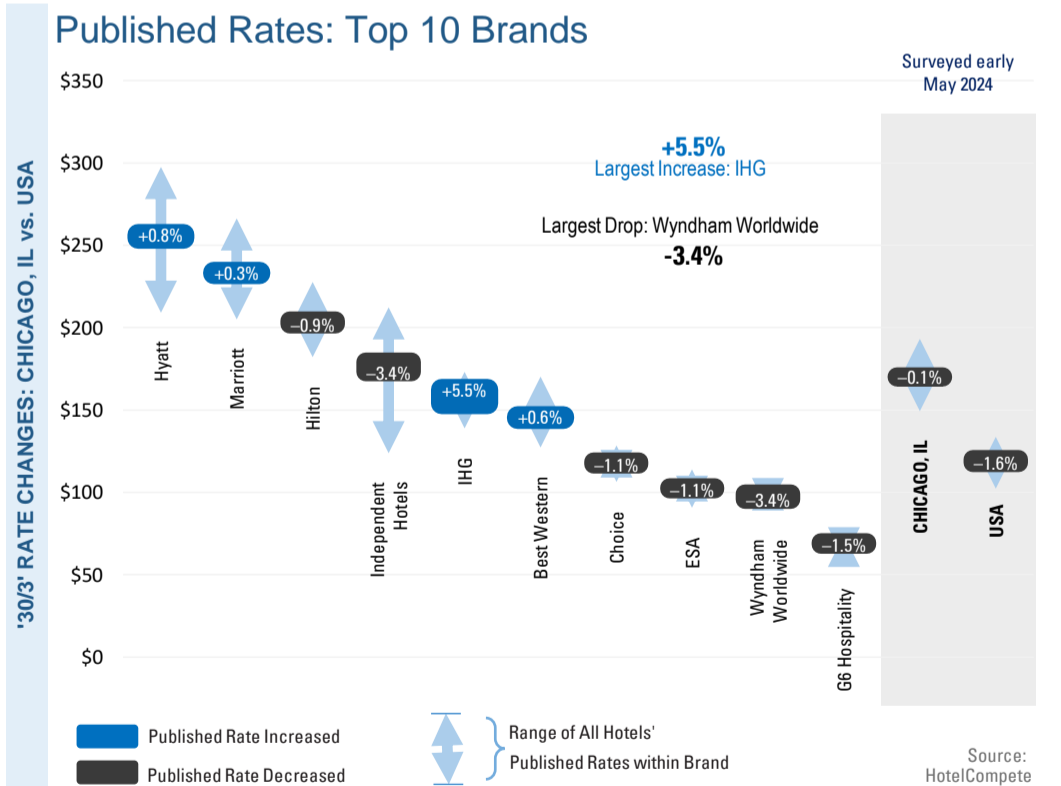
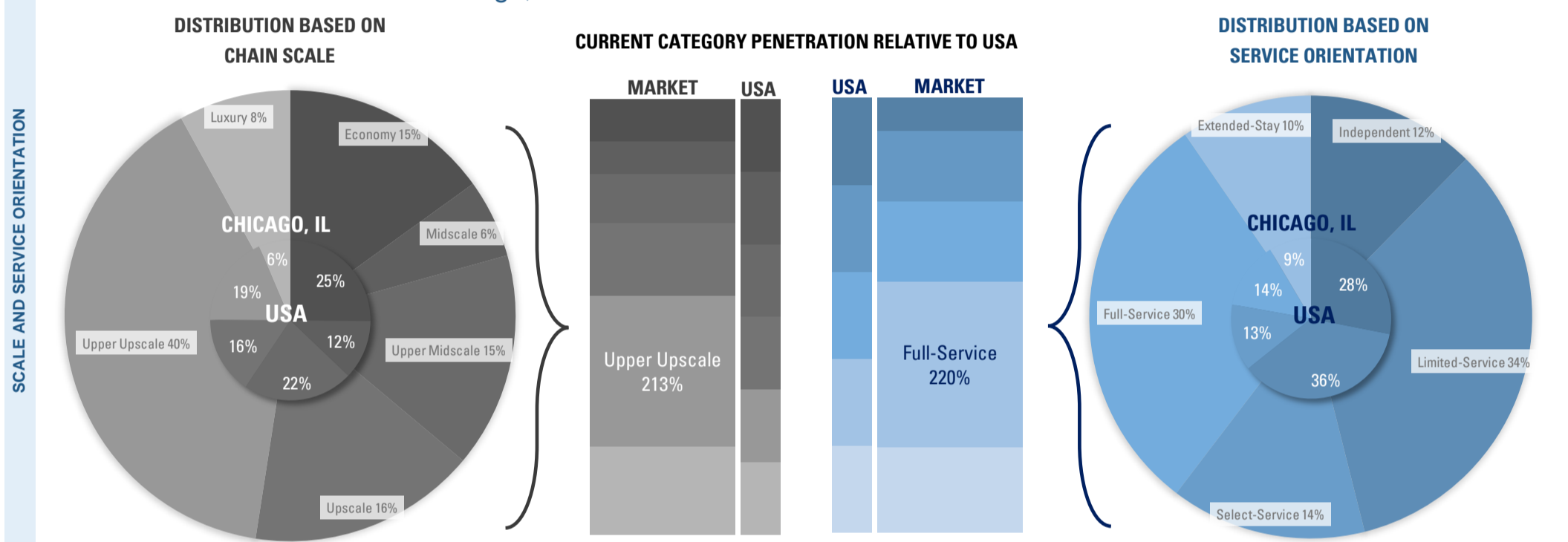
A1
Investment Grade

Long-term investment grade, Prime-1 short-term outlook

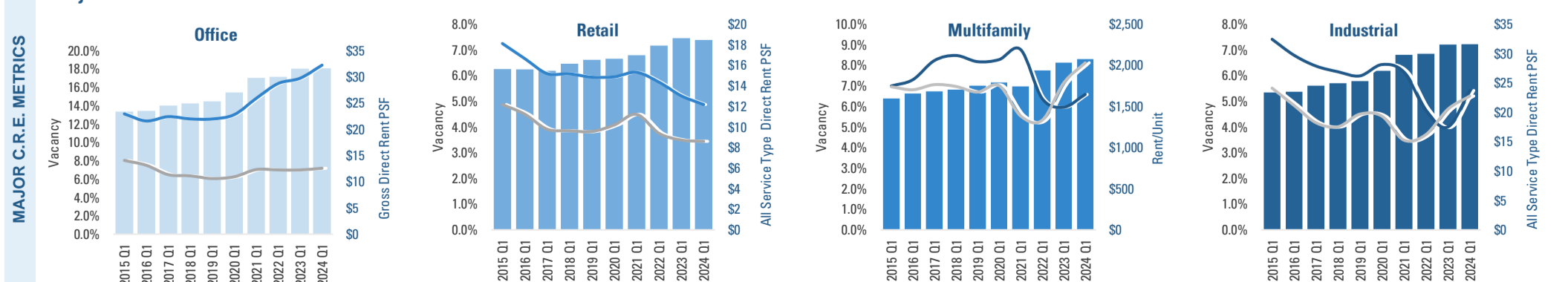




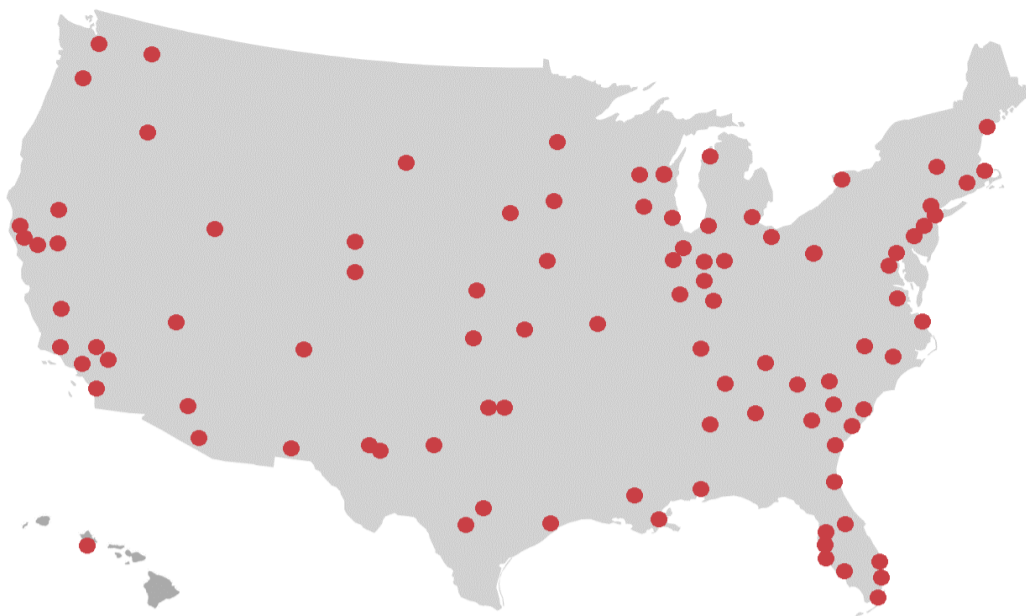
Scale and Service Distribution: Chicago, IL



Major CRE Market Performance



Nsights Hotel Market Reports Coverage



Akron, OH	Dayton, OH	Louisville, KY	Portland, OR
Albany, NY	Denver, CO	Madison, WI	Raleigh, NC
Albuquerque, NM	Des Moines, IA	Memphis, TN	Rapid City, SD
Anaheim, CA	Detroit, MI	Miami, FL	Richmond, VA
Arkansas State Area, AR	El Paso, TX	Michigan North Area, MI	Sacramento, CA
Atlanta, GA	Fayetteville, AR	Michigan South Area, MI	Saint Louis, MO
Augusta, GA	Fort Lauderdale, FL	Milwaukee, WI	Saint Petersburg, FL
Austin, TX	Fort Myers, FL	Minneapolis, MN	Salt Lake City, UT
Bakersfield, CA	Fort Worth, TX	Mobile, AL	San Antonio, TX
Baltimore, MD	Fresno, CA	Myrtle Beach, SC	San Bernardino, CA
Baton Rouge, LA	Greensboro, NC	Nashville, TN	San Diego, CA
Bentonville, AR	Greenville, SC	New Brunswick, NJ	San Francisco, CA
Birmingham, AL	Harrisburg, PA	New Orleans, LA	San Joaquin Valley, CA
Boise City, ID	Hartford, CT	New York, NY	San Jose, CA
Boston, MA	Houston, TX	Newark, NJ	Sarasota, FL
Buffalo, NY	Indiana North Area, IN	Oahu Island, HI (Branded)	Savannah, GA
Charleston, SC	Indiana South Area, IN	Oakland, CA	Seattle, WA
Charlotte, NC	Indianapolis, IN	Odessa-Midland, TX	Spokane, WA
Chattanooga, TN	Jackson, MS	Oklahoma City, OK	Tampa, FL
Chicago, IL	Jacksonville, FL	Omaha, NE	Tucson, AZ
Cincinnati, OH	Kansas City, MO	Orlando, FL (Non-Disney)	Tulsa, OK
Cleveland, OH	Knoxville, TN	Palm Desert, CA	Virginia Beach, VA
Colorado Springs, CO	Las Vegas, NV (Non-Strip)	Philadelphia, PA	Washington State Area, WA
Columbia, SC	Lexington, KY	Phoenix, AZ	Washington, DC
Columbus, OH	Little Rock, AR	Pittsburgh, PA	West Palm Beach, FL
Dallas, TX	Los Angeles, CA	Portland, ME	Wichita, KS

*Customized market reports available upon request

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Arenas, Stadiums and Sports Facilities

Conference, Expo and Convention Centers

Golf Courses

Marinas

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Economic Impact

We empower owners and operators to maximize economic incentives and advise government entities on the impact of incentives on a community or development.

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We take feasibility studies to the next level, combining market knowledge with expert economic impact analysis and acumen in cash-on-cash, ROI and other metrics.

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Our seamless approach to fulfilling clients' financial reporting requirements means no outside assistance is needed.

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Our experts bring a strategic perspective and hands-on approach, exceeding the depth and scope of typical litigation services every time.

Portfolio Analytics

We bring industry averages and trends to bear on traditional analytics, ensuring comprehensive due diligence.

Property Tax

We understand every aspect of a property's operations, allowing us to craft advanced tax strategies.

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At Newmark, we don't just adapt to what our partners need—we adapt to what the future demands. Our integrated platform delivers seamlessly connected services tailored to every type of client, from owners to occupiers, investors to founders, and growing startups to leading companies. We think outside of boxes, buildings and business lines, delivering a global perspective and a nimble approach. From reimagining spaces to engineering solutions, we have the vision to see what's next and the tenacity to get there first.

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